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CHANDLER, SARA M		3693		
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No. 10/085,820	Applicant(s) KNOX ET AL.
	Examiner SARA CHANDLER	Art Unit 3693

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
 - If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
 - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED. (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(o).

Status

- 1) Responsive to communication(s) filed on 05/13/08.
- 2a) This action is FINAL. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 58-75 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 58-75 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) Notice of References Cited (PTO-892)
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
 3) Information Disclosure Statement(s) (PTO/SB/08)
 Paper No(s)/Mail Date _____
- 4) Interview Summary (PTO-413)
 Paper No(s)/Mail Date _____
- 5) Notice of Informal Patent Application
 6) Other: _____

DETAILED ACTION

Response to Amendment

This Office Action is responsive to Applicant's arguments and request for continued examination of application 10/085,820 (02/26/02) filed on 05/13/08.

Claim Interpretation

1. In determining patentability of an invention over the prior art, all claim limitations have been considered and interpreted as broadly as their terms reasonably allow. See MPEP § 2111.

Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Applicant always has the opportunity to amend the claims during prosecution, and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. *In re Pruter*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-51 (CCPA 1969). See MPEP § 2111.

2. All claim limitations have been considered. Additionally, all words in the claims have been considered in judging the patentability of the claims against the prior art. See MPEP 2106 II C. The following language is interpreted as not further limiting the scope of the claimed invention. See MPEP 2106 II C.

Language in a method claim that states only the intended use or intended result, but the expression does not result in a manipulative difference in the steps of the claim.

Language in a system claim that states only the intended use or intended result, but does not result in a structural difference between the claimed invention and the prior art.

In other words, if the prior art structure is capable of performing the intended use, then it meets the claim.

Claim limitations that contain statement(s) such as "*if, may, might, can could*", as optional language. As matter of linguistic precision, optional claim elements do not narrow claim limitations, since they can always be omitted.

Claim limitations that contain statement(s) such as "*wherein, whereby*", that fail to further define the steps or acts to be performed in method claims or the discrete physical structure required of system claims.

USPTO personnel should begin claim analysis by identifying and evaluating each claim limitation. For processes, the claim limitations will define steps or acts to be performed. For products, the claim limitations will define discrete physical structures or materials. Product claims are claims that are directed to either machines, manufactures or compositions of matter. See MPEP § 2106 II C.

The subject matter of a properly construed claim is defined by the terms that limit its scope. It is this subject matter that must be examined. As a general matter, the grammar and intended meaning of terms used in a claim will dictate whether the language limits the claim scope. Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. The following are examples of language that may raise a question as to the limiting effect of the language in a claim:

- (A) statements of intended use or field of use,
- (B) "adapted to" or "adapted for" clauses,
- (C) "wherein" clauses, or
- (D) "whereby" clauses.

See MPEP § 2106 II C.

3. Independent claims are examined together, since they are not patentable distinct. If applicant expressly states on the record that two or more independent and distinct

inventions are claimed in a single application, the Examiner may require the applicant to elect an invention to which the claims will be restricted.

Claim Objections

Claims 58, 64 and 70 are objected to because of the following informalities:

Re Claims 58, 64 and 70: The claims recite the limitation " (ii) less than the amount of the purchase transaction, debiting the first account for the amount of the transaction and granting a loan in an amount equal to the amount of the purchase transaction less the balance of funds in the first account. ". Should this be -- (ii) less than the amount of the purchase transaction, debiting the first account for the balance of funds in the first account and granting a loan in an amount equal to the amount of the purchase transaction less the balance of funds in the first account. -- In other words can an account be debited for more that what is available in the account, which would be the situation when the balance of funds is less than the amount of the purchase transaction?

Re Claim 75: Should claim 75 depend from claim 74 instead of claim 70.

Appropriate correction is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 58-75 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hogan, US Pat. No. 6,315,193 in view of Macias, US Pub. No. 2002/01116324

Re Claims 58-75: Hogan discloses an automated method/computer readable storage medium containing programming instructions/credit processing system for providing a line of credit in a prepaid card account, the method comprising: receiving, at a credit processing system, a plurality of deposit transactions depositing funds into a first account linked to a prepaid card with a first account identifier (Hogan, Figs. 1A,1B, 2,3A,3B,4A,4B, abstract, col. 1, lines 1-5, col. 1 line 55+ - col. 4, line 10; col. 4, lines 40+ - col. 7, line 52); determining, at the credit processing system, a first credit limit associated with a loan amount for the first account (Hogan, Figs. 1A,1B, 2,3A,3B,4A,4B, abstract, col. 1, lines 1-5, col. 1 line 55+ - col. 4, line 10; col. 4, lines 40+ - col. 7, line 52); and receiving, at the credit processing system, a request for authorization of a purchase transaction associated with the first account as identified by the prepaid card (Hogan, Figs. 1A,1B, 2,3A,3B,4A,4B, abstract, col. 1, lines 1-5, col. 1 line 55+ - col. 4, line 10; col. 4, lines 40+ - col. 7, line 52);

and authorizing, by the credit processing system, the purchase transaction in response to a balance of funds in the first account being (Hogan, Figs. 1A,1B, 2,3A,3B,4A,4B, abstract, col. 1, lines 1-5, col. 1 line 55+ - col. 4, line 10; col. 4, lines 40+ - col. 7, line 52):

- (i) greater than or equal to an amount of the purchase transaction and debiting the first account for the amount of the transaction (Hogan, Figs. 1A,1B, 2,3A,3B,4A,4B, abstract, col. 1, lines 1-5, col. 1 line 55+ - col. 4, line 10; col. 4, lines 40+ - col. 7, line 52), and
- (ii) less than the amount of the purchase transaction, debiting the first account for the amount of the transaction and granting a loan in an amount equal to the amount of the purchase transaction less the balance of funds in the first account (Hogan, Figs. 1A,1B, 2,3A,3B,4A,4B, abstract, col. 1, lines 1-5, col. 1 line 55+ - col. 4, line 10; col. 4, lines 40+ - col. 7, line 52).

Hogan fails to explicitly disclose wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card, wherein the transaction information consists of one or more of: i) the plurality of deposit transactions into the first account; ii) purchase transaction information for the first account; and iii) loan granting and repayment information for the first account, and no other financial information of an account holder associated with the first account.

Macias discloses wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card, wherein the transaction information consists of one or more of: i) the plurality of deposit transactions

into the first account; ii) purchase transaction information for the first account; and iii) loan granting and repayment information for the first account, and no other financial information of an account holder associated with the first account (Macias, abstract, Fig. 1, [0001] – [0014]).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Hogan in view of Macias to provide wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card, wherein the transaction information consists of one or more of: i) the plurality of deposit transactions into the first account; ii) purchase transaction information for the first account; and iii) loan granting and repayment information for the first account, and no other financial information of an account holder associated with the first account.

As suggested by Macias, one would have been motivated to allow each customer to establish an individual line of credit; allow customers to draw on liquid assets before tapping into the line of credit; and allow financial institutions to increase profits.

Furthermore, Claims 58-75 apply a known technique to a known device (method, computer readable medium, system) ready for improvement to yield predictable results. Hogan teaches that the card can be any type of financial transaction card such as a credit card or a debit card. (Hogan, col. 5, lines 33-37). Macias teaches that credit extension is a service performed by a broad array of financial institutions (e.g., banks, credit unions) in association with these types of cards (e.g., credit cards, debit cards).

(Macias, [0001] - [0014]). In other words the benefits afforded the customers are akin to an extension of credit (e.g., overdraft protection, lower interest rates, equity lines of credit). Thus, the claimed subject matter likely would have been obvious under KSR. *KSR*, 127 S.Ct. at 1741, 82 USPQ2d at 1396.

Response to Arguments

Applicant's arguments have been fully considered but they are not persuasive.

Hogan and Macias are analogous art. It has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, both Hogan and Macias are pertinent to the problem of extending credit.

Applicant argues the prior art fails to explicitly disclose the use of a prepaid card.

Applicant's specification has provided a broader definition for what a prepaid card may be:

The prepaid card may be any type of account card identifying account 155 including active smart cards and passive prepaid and credit cards. (Applicant's Specification, pg. 4)

Hogan states the financial transaction card may be:

In the preferred embodiment of the figures, the financial transaction card is a credit card. The present invention is not limited to such an embodiment, however, but encompasses any other financial transaction card, such as a debit card. (Hogan, col. 5, lines 33-37).

Thus, the card disclosed in Hogan falls within the definition of a "prepaid card" provided by applicant's specification.

Applicant argues the prior art fails to explicitly disclose, "determining, at the credit processing system, a first credit limit associated with a loan amount for the first account wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card, wherein the transaction information consists of one or more of: i) the plurality of deposit transactions into the first account; ii) purchase transaction information for the first account; and iii) loan granting and repayment information for the first account, and no other financial information of an account holder associated with the first account;"

The claim recites the limitation, "consists of one or more of...." Thus, the broadest reasonable interpretation requires that the credit limit is based on at least one:

- i) the plurality of deposit transactions into the first account; or
- ii) purchase transaction information for the first account; or
- iii) loan granting and repayment information for the first account.

The claimed invention is obvious in light of the teachings of Hogan and Macias. As noted *supra*, Hogan teaches that the card can be any type of financial transaction card such as a credit card or a debit card. As noted *supra*, credit extension is a service performed by a broad array of financial institutions (e.g., banks, credit unions) in association with these types of cards (e.g., credit cards, debit cards). Many financial institutions provide benefits to account holders with a desirable account history (e.g., length of time the account is open, minimum balance, frequency of use, on-time

payment etc.). The account holders are often called "preferred customers" and the benefits afforded "preferred customers" are akin to an extension of credit. These benefits include overdraft protection, lower interest rates, equity lines of credit etc.

The financial institution in Hogan is not obligated to consider external financial information (e.g., credit history of the cardholder as defined by industry guidelines). Consideration of external financial information, is preceded in Hogan by a condition (i.e., If the consumer does not have an existing card account) (e.g., Hogan, Fig. 1A, col. 5, lines 38-51). Thus, when the alternative condition exists (i.e., If the consumer does have an existing card account), consideration of external financial information is not required (Hogan, Fig. 1A). There is no requirement in Hogan that the financial institution must consider external financial information in order to extend credit. The financial institution could use any information they prefer to make that determination including just information about the existing card account of the consumer. Although, external financial information "may" be used, it is not required by Hogan. (Note: The examples given in Hogan often use a credit card but, as noted *supra* the card in Hogan can be any financial transaction card.)

The claimed invention is just a more narrowly drafted version of Hogan. In Hogan the credit limit is determined by the credit history of the cardholder as defined by industry guidelines (e.g., Hogan, col. 5, lines 38-51). The term credit history can be interpreted as the credit reports issued by credit bureaus. Credit reports provide information such as the type of account, payments made, credit extended and balance remaining on accounts held by a cardholder. If the credit history/report for the

cardholder only consisted of information for that one specific card account, the determination regarding whether to extend credit would be based on the transaction information for that one specific card account.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SARA CHANDLER whose telephone number is (571)272-1186. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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